

Asking a Dealer to Sell Your Vehicle

When an individual signs a contract with a dealer for the dealer to sell his car, this is called a "consignment agreement". State law defines consignors (seller) and consignees (dealer) rights and requires consignees to make full disclosure when a consigned vehicle is sold. The law also requires a written consignment agreement be executed between the consignor and consignee before the consigned vehicle can be driven.

This agreement must indicate the party responsible for damage to or misuse of the vehicle. It must also indicate the permitted uses a consignee may make of a consigned vehicle. The law also requires a Consignment Charges Agreement be completed and attached to the written consignment agreement. [Form TC-120 "Consignment Charges Agreement For Motor Vehicle Sales"](#) can be used for this.

Questions and Answers

Can a consignor take his vehicle back any time he wants, even if he agreed in writing to leave the vehicle on the lot for 30 days?

Yes. As long as the consignor has notified the consignee in writing that he is going to take possession of the vehicle; and he has paid all outstanding charges owing to the consignee that have been agreed to on Form TC-120.

When a consigned vehicle is sold, does the dealer have to tell the consignor how much it sold for?

Yes. The dealer must disclose, in writing, the exact selling price of the consigned vehicle if the dealer and the consignor agreed in writing that the consignor will receive a percentage of the selling price, or they renegotiate in writing the selling price of the vehicle.

How long does the dealer have to pay the consignor after the vehicle is sold?

The consignor must be paid within 21 calendar days of the sale or within 15 calendar days of receiving payment for the vehicle, whichever date is earlier, unless the sale is rescinded.

If the sale is rescinded, does the consignor have to be notified?

Yes. The dealer must notify the consignor in writing within five calendar days.

Can the dealer drive the consigned vehicle on the consignor's license plates if they are still current?

No. The dealer must remove the consignor's license plates and/or any temporary permits on the vehicle. It can only be operated on using dealer plates.

Who is responsible for insurance and damage to the vehicle while it is on consignment?

The dealer is required to have liability insurance on his dealer plates. The written consignment agreement must specify who is responsible for damage or misuse to the consigned vehicle.

When Do I Need to Get a Dealer's License?

Under Utah law, a "dealer" is defined as a person:

- whose business, in whole or in part, involves selling new, used, or new and used motor vehicles, and,
- who sells, displays for sale, or offers for sale or exchange three or more new or used motor vehicles in any 12-month period

A dealer is also a representative or consignee of any dealer, meaning that if a person sells cars on behalf of a dealer, that person is also a dealer and must be licensed.

[Click here](#) for more information on dealer licensing requirements.